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provide them with the right financial tools, according to a new report released by Palo Alto Software.

Isaac M. O'Bannon • Apr. 15, 2015



Most small businesses can't track and manage their cash flow because banks don't provide them with the right financial tools, according to a new report released by [Palo Alto Software](#).

The white paper, titled "[Planning and Management Technology Can Increase the Lifetime Value of Your Business Customers](#)," outlines how financial institutions can be more proactive about helping SMBs remain cash-healthy. According to Barlow Research Associates, more than 60 percent of small business owners say cash flow is a monthly concern, but only 41 percent think their primary bank effectively meets their credit needs.

Because most small business failures are caused by poor cash flow, the white paper

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reinforces the need for a bank to provide tools to help their small business customers better plan and manage their growth.”

Barlow Research found that 63 percent of SMBs would take advantage of a tool to help them track and manage cash flow, meaning banks have an opportunity to better serve small businesses by going beyond basic services like automatic bill pay and automated bookkeeping. The white paper outlines several steps banks can take to keep an eye on financial metrics and foster relationships with small businesses, including:

- Offering monitoring tools that give small businesses advance notice of cash flow issues six to 12 months ahead of time.
- Helping business owners keep track of the right metrics against their strategic business plan.
- Integrating banking and accounting software, preferably in the cloud.
- Alerting SMBs when they become eligible for different credit products that will help them manage their cash flow.

Financial institutions also feel the disconnect. Palo Alto Software spoke with 25 account officers at banks who all said they would better serve SMB clients with advanced notice of upcoming cash flow issues. By offering businesses a tool such as LivePlan, financial institutions can help their SMB customers identify and address cash flow problems well before they start bouncing checks.

“LivePlan is mutually beneficial for SMBs and banks because the tool helps build relationships,” said Sabrina Parsons, CEO of Palo Alto Software, maker of LivePlan. “The platform serves as a common ground through which financial institutions can demonstrate their dedication to a business’ goals, which will increase customer engagement and retention.”

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